

## **Virginia Individual Development Account Program**

### ***Agreement between DHCD and Saver***

The following agreement is between \_\_\_\_\_, referred to from this point as “Saver”; and The Virginia Department of Housing and Community Development, referred to from this point as “Custodian”; is made on this date of \_\_\_\_\_.

If I am accepted into the VIDA program, I \_\_\_\_\_ hereby give permission to the Virginia Department of Housing and Community Development to open a joint custodial account with the selected financial institution in my name for the sole purpose of participation in the program.

In addition, I understand that:

The Saver must submit a \$25.00 initial deposit in the form of a money order or check, a copy of identification, and a completed *Candidate Application* form in order to be considered for participation. The identification must be a pictured-government issued identification which shows the Saver’s signature on it, such as a driver’s license.

The Saver will work to the best of his/her ability to reach their savings goal to purchase \_\_\_\_\_ (identify as a home, business, or post-secondary education).

The Saver will work with the intermediary to develop a savings plan. The Saver will participate in coaching sessions that are provided by the intermediary and tailored to his/her identified savings goal.

The Saver will save a minimum of \$25 per month. If the minimum savings amount is missed three consecutive months, the Custodian has the right to terminate the Saver’s participation in the program. The Saver will not be eligible to receive any match funds.

Custodial accounts will be held with the selected financial institution a registered Federal Deposit Insurance Corporation that has agreed to be a financial partner with the VIDA program. The selected financial institution has agreed to waive their standard minimum balance requirements and all custodial account fees for a period of one year from the date the custodial account is opened. At the end of one year, the Saver must maintain a \$300 minimum balance in order to avoid monthly fees. If the Saver’s custodial account falls below this minimum balance after one year, the Saver will be subject to service fees.

All monies in the custodial account, including interest earned, will belong to the Saver. Match is held in escrow and paid directly to the vendor at the time of asset purchase.

The custodial account must be utilized by the Saver for the sole purpose of participation in the VIDA program, notwithstanding emergency withdrawals. After payment is issued to the vendor, if the purchase is terminated and the vendor issues a refund, the entire refund must be returned to the Custodian. The Custodian will return the Saver's contribution to the Saver.

Any nonqualified or qualified withdrawals from the custodial account must be made with the intermediary and the Custodian. Qualified withdrawals can only be made upon completion of all training and after monthly deposits have been made for a minimum of six months.

Emergency withdrawals are considered on a case-by-case basis for medical care, for payments necessary to prevent eviction, or for the saver to use to meet living expenses following loss of employment. In the case of an emergency withdrawal, the enrolled saver may access only the funds which they have deposited into the account. No match funds will be available. The saver will have five months to repay an emergency withdrawal from their VIDA account.

Withdrawal of funds for any purpose requires the official signature of the Custodian. The Custodian will initiate withdrawals from the custodial account on behalf of the Saver. Unauthorized withdrawals or transfers from the custodial account by the Saver will result in termination from the program and forfeiture of match funds.

The Custodian qualifies Savers for participation and approves their withdrawals based on information provided by the Saver. In the case of qualified withdrawals, approval is also determined based on information provided by the vendor. Should DHCD find that any such documentation provided by the Saver or vendor has been falsified or funds not used for the asset purchase specified, the Saver shall be subject to repayment of the match funds to the Custodian.

The Saver must complete financial literacy training and asset-specific training through the local VIDA intermediary to be eligible to receive any match funds. The Financial Literacy workshops will cover such topics as financial management training, budget and credit repair, loan development, and personal financial planning (i.e. savings and investments, insurance, wills, and tax planning). Asset-specific training will include homebuyer education, business development, and career planning.

**The Saver must complete all training, meet their savings goal, and purchase their asset within two years of the date their custodial account was opened.**

The Custodian agrees to the following:

Match funds will be accrued at a ratio of 2:1, for every one dollar deposited by the Saver, the Saver will accrue, at the time of asset purchase, two dollars in match funds.

The Saver may accrue match funds for savings up to \$2,000 with the match amount not to exceed \$4,000.

The custodial account will be monitored monthly by the Custodian. Custodial account activity will be reported to the Saver and intermediary through monthly statements.

The Custodian makes payment, on behalf of the saver, to an accepted vendor for the purchase of an eligible asset using both match and savings.

The Saver and the Custodian agree to the following:

If the Saver withdraws from the program, all funds within the custodial account must be withdrawn and returned to the Saver within five business days of termination. The Custodian will withdraw all funds from the custodial account and return them to the Saver.

If the Saver requests a withdrawal of all funds from the custodial account, prior to making an asset purchase, the Saver will be withdrawn from the program.

If the Saver dies while their VIDA custodial account is active, this trust agreement will no longer be in effect. In this circumstance, the distribution of savings will be distributed to the following beneficiary:

Beneficiary name:	
	_____
	(Print)
Beneficiary social security number: _____	
Relationship to saver: _____	
Beneficiary mailing address: _____	
	_____
	_____
Beneficiary telephone number: _____	

The following signatures attest that the parties, the Saver and the Custodian, commit to the terms as defined in this document and expect terms to be implemented as of the date stated in the first paragraph of this agreement.

\_\_\_\_\_  
Saver's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
DHCD Custodian's Signature

\_\_\_\_\_  
Date